

State of Alaska FY2007 Governor's Operating Budget

Department of Health and Social Services Alaska Pioneer Homes Management Component Budget Summary

Component: Alaska Pioneer Homes Management

Contribution to Department's Mission

Manage the Alaskan Pioneer Homes as a safe and compassionate living environment for Alaskan Seniors.

Core Services

- Provide programmatic and administrative (nursing, personnel, policy, financial and procurement) support to staff of the six Pioneer Homes
- Provide medical consultation services by the division's geriatric nurse consultant
- Provide guidance and direction on overall issues such as risk management and the worker's compensation program
- Provide centralized billing and collections for Pioneer Homes services: rent, medications and supplies
- Maintain and manage the Pioneer Homes computerized waiting list

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$964,200

Personnel:

| | |
|--------------|----------|
| Full time | 7 |
| Part time | 0 |
| Total | 7 |

Key Component Challenges

- Complete the federal programmatic certification process for operation of the State Veterans and Pioneer Home
- Implement the Veterans Home transition plan for optimal occupancy and providing veterans benefits for domiciliary care
- Implement the billing approach for the Medicare Part D Drug Program within the Pioneer Homes system
- Continue to reduce the general fund requirements to operate the Pioneer Homes system
- Development of a Continuation of Operations Plan for the six Pioneer Homes and the Pioneer Home Central Office to be used in the event of a disaster that closes one or more Homes for an extended period of time

Significant Changes in Results to be Delivered in FY2007

In FY06 the division received federal approval to renovate and remodel the Palmer Pioneer Home into the State Veterans Home. In accordance with federal requirements, the division will submit programmatic operational policies and procedures to the federal Veterans Administration for approval. Once construction is complete and the Palmer Home is certified as a Veteran's Home, steps will be taken to fill 18 vacant beds. The FY 2007 budget includes funding for ten additional positions to staff and safely care for the additional 18 residents.

With the implementation of the Veterans Home transition plan, the division will begin submitting claims for domiciliary veteran's benefits and identify additional benefits that may be claimed for veteran residents. These may include aide in attendance, skilled level, pharmacy, cemetery, escort and transportation services. The budget includes a general to federal fund source switch to account for these new receipts.

In FY 2007, the Division will be enrolled as a provider of prescription drugs under Medicare Part D. Pioneer Home residents who have their drugs paid for by Medicaid or by the Pioneer Home payment assistance program will be shifted to coverage under the new Medicare Part D drug benefit. Other residents may also choose to join a drug Plan under Medicare Part D, but will pay their own premiums for the coverage. Transition into the new program begins

January 1, 2006 and will continue for several years as people learn more about the new program and the options available to them.

Major Component Accomplishments in 2005

- Coordinated the development of Medicaid reimbursement in the Pioneer Homes between the divisions of Public Assistance, Health Care Services, Senior and Disabilities Services and the Alaskan Pioneer Homes
- Gained rate approval for the cost-based per diem rates for each of the Pioneer Homes and began billing Medicaid for Pioneer Home residents approved for long-term care waiver services
- Completed and submitted federal subsidy applications for premiums, co-payment and deductibles for over 300 Pioneer Home residents. The subsidies, if approved, will provide insurance coverage for Pioneer Home residents who rely on the payment assistance program to cover the cost of their medications
- Processed applications and issued monthly warrants to approximately 6,725 eligible recipients of the Alaska SeniorCare Program
- Presented the Division's safety project in Washington DC Agency for Healthcare, Research and Quality (AHRQ)

Statutory and Regulatory Authority

| | |
|---------------------|-----------------------------------------------------------------------------|
| Ch 59, SLA04 | Pioneers' Homes/Veterans' Homes: SB 301 |
| AS 44.29.020(a)(16) | Duties of H&SS Department - Amd by Ex Order 108, Sec 4; Ch 59, SLA04 |
| AS 44.29.400 | State Veterans' Home Facilities - Amd by Ex Order 108, Sec. 4; Ch 59, SLA04 |
| AS 47.55 | Pioneers' Homes - Amd by Ex Order 108, Sec. 4; Ch 59, SLA04 |
| 7 AAC 74 | Pioneers' Homes - Revised August 2004 |
| 7 AAC 47.800-890 | Alaska Senior Care Program |

Contact Information

Contact: Janet Clarke, Assistant Commissioner
Phone: (907) 465-1630
Fax: (907) 465-2499
E-mail: janet_clarke@health.state.ak.us

Alaska Pioneer Homes Management Component Financial Summary

All dollars shown in thousands

| | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|-----------------------------------|----------------|---------------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 520.2 | 683.6 | 681.0 |
| 72000 Travel | 28.8 | 7.9 | 6.1 |
| 73000 Services | 390.8 | 291.8 | 257.8 |
| 74000 Commodities | 118.1 | 17.1 | 11.8 |
| 75000 Capital Outlay | 0.9 | 7.5 | 7.5 |
| 77000 Grants, Benefits | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 1,058.8 | 1,007.9 | 964.2 |
| Funding Sources: | | | |
| 1002 Federal Receipts | 68.6 | 2.4 | 179.2 |
| 1004 General Fund Receipts | 618.7 | 669.3 | 720.7 |
| 1007 Inter-Agency Receipts | 125.6 | 189.7 | 0.0 |
| 1037 General Fund / Mental Health | 64.3 | 64.3 | 64.3 |
| 1189 Senior Care Fund | 181.6 | 82.2 | 0.0 |
| Funding Totals | 1,058.8 | 1,007.9 | 964.2 |

Estimated Revenue Collections

| Description | Master Revenue Account | FY2005 Actuals | FY2006 Management Plan | FY2007 Governor |
|---------------------------------|------------------------------|-------------------|------------------------------|--------------------|
| Unrestricted Revenues | | | | |
| None. | | 0.0 | 0.0 | 0.0 |
| Unrestricted Total | | 0.0 | 0.0 | 0.0 |
| Restricted Revenues | | | | |
| Federal Receipts | 51010 | 68.6 | 2.4 | 179.2 |
| Interagency Receipts | 51015 | 125.6 | 189.7 | 0.0 |
| Restricted Total | | 194.2 | 192.1 | 179.2 |
| Total Estimated Revenues | | 194.2 | 192.1 | 179.2 |

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|----------------------------------------------------------------------------------------------|----------------------|----------------------|--------------------|--------------------|
| FY2006 Management Plan | 733.6 | 2.4 | 271.9 | 1,007.9 |
| Adjustments which will continue current level of service: | | | | |
| -Fund Source Change for Project Coordinator PCN #06-0610 | 0.0 | 77.3 | -77.3 | 0.0 |
| -FY 07 Wage Increases for Bargaining Units and Non-Covered Employees | 11.0 | 0.0 | 1.9 | 12.9 |
| -FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees | 1.1 | 0.0 | 0.2 | 1.3 |
| -FY 07 Retirement Systems Cost Increase | 19.6 | 0.1 | 3.5 | 23.2 |
| Proposed budget decreases: | | | | |
| -Reduce Funding - SeniorCare Administration Transferred to the Division of Public Assistance | 0.0 | 0.0 | -82.2 | -82.2 |
| -Reduce I/A - Interim Assistance Program transferred to the Division of Public Assistance | 0.0 | 0.0 | -118.0 | -118.0 |
| Proposed budget increases: | | | | |
| -Additional Federal Funding for Project Director PCN #06-Z021 | 0.0 | 99.4 | 0.0 | 99.4 |
| -Risk Management Self-Insurance Funding Increase | 19.7 | 0.0 | 0.0 | 19.7 |
| FY2007 Governor | 785.0 | 179.2 | 0.0 | 964.2 |

**Alaska Pioneer Homes Management
Personal Services Information**

| Authorized Positions | | | Personal Services Costs | |
|----------------------|---------------------------------------------------|----------------------------------|--------------------------------|----------------|
| | <u>FY2006</u> <u>Management</u> <u>Plan</u> | <u>FY2007</u> <u>Governor</u> | | |
| Full-time | 8 | 7 | Annual Salaries | 443,049 |
| Part-time | 0 | 0 | COLA | 12,187 |
| Nonpermanent | 2 | 1 | Premium Pay | 0 |
| | | | Annual Benefits | 237,709 |
| | | | Less 1.72% Vacancy Factor | (11,945) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 10 | 8 | Total Personal Services | 681,000 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|----------------------------|-----------|-----------|----------|----------|----------|
| Administrative Assistant | 0 | 0 | 1 | 0 | 1 |
| Division Director | 0 | 0 | 1 | 0 | 1 |
| Nurse Consultant I | 0 | 0 | 1 | 0 | 1 |
| Nurse Consultant II | 1 | 0 | 0 | 0 | 1 |
| Project Coordinator | 0 | 0 | 1 | 0 | 1 |
| Project Director | 0 | 0 | 1 | 0 | 1 |
| Senior Services Technician | 0 | 0 | 1 | 0 | 1 |
| Student Intern III | 0 | 0 | 1 | 0 | 1 |
| Totals | 1 | 0 | 7 | 0 | 8 |